

Circular: NPCI/2017-18/BBPS/001

6<sup>th</sup> April 2017

## **Bharat Bill Payment System (BBPS) – BBPOU Certification as a pre- requisite for Authorisation**

Members to take note that to get certified in order to avail full authorisation from RBI in BBPS the following pre-requisites need to be in place:

### **For Customer BBPOU (COU)**

- 1. Dominant Channels Certification:** BBPOUs to get certified for its dominant transacting channels like Net Banking, Mobile Banking, Physical Channels (e.g. Branch and Agent, if part of business plan) in order to get the certification for BBPS that is required for RBI authorisation. A “dominant channel” means the channels through which maximum volume of bill payments is currently handled by the BBPOU. The BBPOU must also open the dominant channels to their entire consumer base. The BBPOU will be required to get all bill payment channels certified within a given time frame. Please note that all channels need to be brought under BBPS.
- 2. Good Volume of bill payment transactions:** Another pre-requisite for BBPOU to get certification would be to have put through a reasonable number of live transactions commensurate with the volume of bill payment business being handled by BBPOU.
- 3. Integrated bill payment Option and Compliance to Front-end Guidelines:** BBPOUs must present an integrated bill payment option to its customers on the front end channel. BBPS billers should be presented in the main section of billers which customers normally visit for bill payment. In no case the BBPS biller be relegated to a secondary section-subservient to the major list of billers. Billers participating in BBPS must be displayed along with the BBPS logo, when that Biller is chosen for bill fetch/payment. The work flow etc. must be in compliance with the Front End Guidelines issued by NPCI.

4. **No Bilateral transactions:** As per Procedural guidelines issued by BBPS bilateral transactions are not allowed between BBPOUs. In this respect, all transactions with respect to billers on boarded in BBPS cannot be routed directly to such aggregators. The aggregators who have received in principle authorisation as BBPOUs, and/or who are currently providing bill payment facility for the same billers on separate platform to the BBPOUs.
5. **Standing Instruction & Bill Presentation:** BBPOUs to ensure that with respect to Standing Instructions and Bill Presentation, channel wise, all transactions with respect to billers on boarded in BBPS have to be routed through BBPS only, and bilateral transactions between BBPOUs, or a BBPOU and its TSP outside BBPS, cannot take place. In this context the BBPOU has to ensure data migration of its existing customers to conform to the guidelines.
6. **CISA Audit (wherever applicable):** The BBPOU must ensure that CISA audit is performed, as required by RBI.

In addition to the above the following conditions need to be complied with the BBPOUs at all times as per BBPS guidelines:

1. An agent institution can provide agent services in BBPS only through one designated BBPOU. Under BBPS, agent institutions cannot provide agent touchpoints through multiple BBPOUs.
2. All existing agent-institutions and agents should be brought under BBPS to do bill payments as per BBPS scheme requirements.

**For Biller BBPOU (BOU)**

1. **Biller On-boarding:** A BOU should present adequate documentation from the biller(s) it wishes to on-board on certification. The biller should formally be on-boarded within 60 days of its certification as a biller BBPOU.
2. **Direct Biller On-boarding:** BOU should have the capability to on board the biller directly and not through an aggregator or a TSP to ensure full compliance with managing biller relationship as provided in the guidelines.

3. **Reconciliation and Standards:** BOU to ensure reconciliation with the biller as per BBPS guidelines and should also ensure acknowledgement and reversal of transactions as per BBPS standards.
  4. **Compliance with Procedural Guidelines:** The BOU should demonstrate adequate capability and competence to comply with BBPS Procedural Guidelines and Standards in respect of biller on-boarding and discharging role as BBPOU. In particular, attention is invited to the following sections of the Procedural Guidelines which need to be complied with :
    - a. Only BBPOUs can have commercial arrangement with billers,
    - b. BBPOUs alone can have clearing and settlement with the billers.
    - c. On-boarding of billers as per defined standards/rules,
      - ✓ Carrying out due diligence on a new biller before it is in-boarded,
      - ✓ Biller configuration and selection of respective BBPOUs for routing,
      - ✓ Biller agreement should ensure that they adhere to SLAs, and standards (as applicable)
    - d. Infrastructure development – Application development, including APIs where required, by respective BBPOUs – in adherence to standards set by BBPCU,
    - e. Ensuring availability of the required infrastructure, system, hardware, software, network and other devices at the central site (BBPOU's) as required to comply with BBPS guidelines.
  5. **CISA Audit (wherever applicable):** The BBPOU must ensure that CISA audit is performed, as required by RBI.
- *BBPOUs to ensure compliance with the pre-requisites mentioned above and within the date as specified by RBI*